MAHARSHI DAYANAND SARASWATI UNIVERSITY AJMER

Outline of Proposed Research Work

1. Name of Scholar (In English) : NAVAL SINGH CHAUDHARY
   (In Hindi) : नवल सिंह चौधरी
2. Title of the Research Work:
   (In English) : Review of Social Accounting and Audit in India with Special Reference to selected Textile Companies in Bhilwara.

   (In Hindi) : भारत मे सामाजिक लेखांकन एवं अंकेक्षण की समीक्षा

   (भीलवाडा की चुनिंदा टेक्सटाइल कम्पनियो के विशेष संदर्भ में)
3. Location :-
   a. Department of Commerce
      M.L.V. Govt. College Bhilwara (Raj.)
   b. Area:- Textile Companies in Bhilwara (Raj.)
4. Introduction , Importance of proposed Investigation , Objectives.
5. Review (Work already done on the subject of proposed Research Study)
6. Research Gapes identified in the proposed field of investigation . (Based on the review)
7. Major Hypothesis.
8. Research Methodology.
9. List of References cited.

Signature of the Candidate with date

Outline Approved

Name and Signature of supervisor with date &seal

INTRODUCTION

Social Accounting is the deviation of traditional financial accounting . Traditional accounting is primarily depicting the profits and incomes and financial position of business enterprise while Social Accounting is the systematic analysis and measurement of social obligations of business enterprise for the society and for human well being and social life of the community. Many definitions have been given by the different scholars and experts in the field of social accounting. The following are some :-

In the Kohler's Dictionary for Accountants , social accounting has been defined as "the application of Double – Entry Book keeping to Socio-Economic Analysis : it is concerned with the construction of national or internal Balance Sheets and the design of the system of the component accounts".

This term was first used by Prof. J.R. Hicks . Who rightly remarked, " Measurement record discloser and analysis of all the observed fact on economic and financial activity of a nation in a meaningful comprehensive and articulated manner is called accounting."

According to David Linowes , " Social Accounting is the application of accounting in the field of social science".

Seidler and Seidler defined social accounting as "modification and application of convention accounting to the analysis and solution of problems of a social nature."

So, social accounting is an expression of company's social responsibility and requirement for general corporate accountability. Exchanges between a firm and society primarily relate to the use of social resources.

Importance of Proposed Investigation.

The uses or the purposes for which the social accounts are prepared are to:

(1) Give a clear picture of the whole economy.

(2) Achieve through the description of various transitions in social accounts and promote stability as well as efficiency in our economic life.

(3) Known at a glance the extent of the economic welfare through the study of social accounts; and

(4) To find out how various sectors of economy are co-related.

In fact, the information that social accounting furnishes about the mutual relationship of the different sectors of the economy is indispensable.

The policies, like fiscal , monetary and other economic ones, can be formulated and executed on the basis of social accounting. Social accounting targets measuring and reporting information concerning activities having impact on society at large.

Social responsibility information about business enterprises is mainly useful to internal users and external users. Internal means top management while external means shareholders and other investors. It also influences share prices.

The greatest demand for social responsibility information comes from the top management. Top management needs social performance information to respond to a press to answer shareholder's questions. Due to some legal liabilities directors need to know details regarding social performance and their results also. Conscientious directors always try to know the effects of the company on society. The negative effects informed to the directors would be helpful for future.

OBJECTS:

Social Audit is the study of all those things or performance of the firms which helps in knowing their effects on the society. Social Audit helps us know the gains or losses occurring on the society. If losses are more they should be controlled by progressive steps. The natural resources must be utilized for the social purpose and should not be wasted.

The process of selecting firm level performance variables, measures and measurement procedures systematically developing information useful for evaluating the firm's social performance to concerned social groups, both within and outside the firm. The objectives and scope of 'social accounting' by including internal and external reporting on the one hand and micro level measurements for generation of firm based information and the macro level performance criteria for evaluative frameworks on the other.

The objective of social accounting is to identify and measure the periodic net social contribution of an individual firm, which includes not only the 'costs and benefits' internalized to the firm, but also those arising from externalities affecting different social segments.

Another objective of such type of accounting is to help, determine whether an individual firm's strategies and practices which directly affect the relative resources and power status of individuals, communities , social segments and generations are consistent with widely shared social priorities on the in hand and individuals legimate aspirations on the other.

The other objective of such type of accounting is to make available in an optional manner to all social constituents , relevant information of a firm's goals, policies, programmers, performance and contribution to social goals.

REVIEW (Work already done on the subject of proposed Research Study)

Colin Clark was amongst the first thinker, who suggested that the income statistics of a nation could be presented in the accounting method. While, Myracurtis, tried to reconcile the income and expenditure estimates by use of a simple accounting form, given by Clark and Feavearyear. Not only this , at that time Morriscopeland emphasized the need for social capital and income accounts for the economic system. At the same time , Meade and Stone took up Clark's suggestions in their article on " Construction of Tables of National Income , Expenditure, savings and Investment".

U.K. was the first nation in the world to put their first National Account before the Parliament, in 1941, on accounting structure. In 1945 under the Employment Act, the President's annual report had to include the policy recommendations together with the economic budget of the U.S.A. Similar developments took places in other advanced countries.

In the field of Social Accounting, India was the prime leader even before the west come to know of it. PININI and KAUTILYA threw light in this direction prior to 400 B.C. But due to reasons known to us further explorations in social accounting were taken up by the western countries and they put the system after minor modifications in their own way. Hence, the Indian development was deeply depreciated by western ideas.

The concept of social accounting is a new concept . After the Industrial Revolution, the involvement of human being has increased day by day, particularly after the Second World war, the scenario of industry was changed. Particularly after 1970, there was marked a great change in the relation between society and industry. Social accounting comes through social responsibility.

Research Gapes identified in the proposed field of investigation . (Based on the review)

In order to facilitate corporate accountability and analysis thereof, Brummet (1973) has identified five possible areas in which corporate social objectives may be found and each area of contribution of social corporate / social activities may be measured and reported.

These areas are:

(i) Net Income Contribution:- This area recognised profit as the first important factor which justifies the existence of an organization. The growing attention to social objectives, is not reducing the importance of the income objective.

(ii) Human Resource Contribution :- it reflects the effect of organizational activities on the human resource of the organization. These organizational activities include : recruitment policies and practices, training, experience building, job enrichment, wages and salary level, trade union relations, employees attitude, job safety ,mutual trust and confidence building, transfer and promotion etc.

(iii) Public Contribution :- This area considers the effect or organizational activities on individuals generally outside the organization. The creation of jobs and the provision of employment are important public contributions as well as the development of local services which offer accompanies corporate expansion in the community.

(iv) Environment Contribution :- This area relates to the measurement of the effect of corporate activities on the ecological balance. Corporate activity is supposed to consume irreplaceable resources and produce solid wastes. This process pollutes air and water, causes noised and spoils the environment. This is a negative social effect

(v) Product or Service Contribution :- This area to the qualitative aspects of the organization's product or service. It includes products utility, durability, of product , produce safety , serviceability as well as the welfare role of the product or service. It also includes customer's satisfaction, honest exposure in advertising , completeness and clarity of labeling and packaging.

HYPOTHESIS

To make present study more practical, Following hypothesis have been framed by researcher.

1. There is no significant relationship between Social Responsibility & Profitability of selected textile companies.

2. There is better Social Accounting & Audit after Company Act. 2013 in textile companies.

METHODOLOGY

To accomplish the above stated objectives of the study primary as well as secondary data will be taken into consideration. The data will be collected as following

Primary Data :-

Primary Data will be collected through questionnaires. Questionnaires will be framed to know attitude & perception of the stakeholders of selected companies.

Secondary Data :-

Secondary Data will be collected mainly from

- Annual reports of selected companies
- Financial statements of selected companies
- Sustainability reports of companies
- Official websites of companies
- Published Journal & Magazines.

Classification & Tabulation have been made with the primary & secondary data & then Analysis and Interpretation have made and then final conclusions have been drawn.

CHAPTERLIZATION

1. Introduction
2. Evolution & Development of the Companies under the study.
3. Social Audit.
4. Provision in the company Law Regarding Social Accounting & Audit.
5. Analysis of Social Cost & Social Benefits.
6. Analysis of Social Balance Sheet.
7. Conclusion and Suggestion.

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